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**STATE OF IOWA  
LEGISLATIVE FISCAL BUREAU**

State Capitol  
Des Moines, Iowa  
50319

**MEMORANDUM**

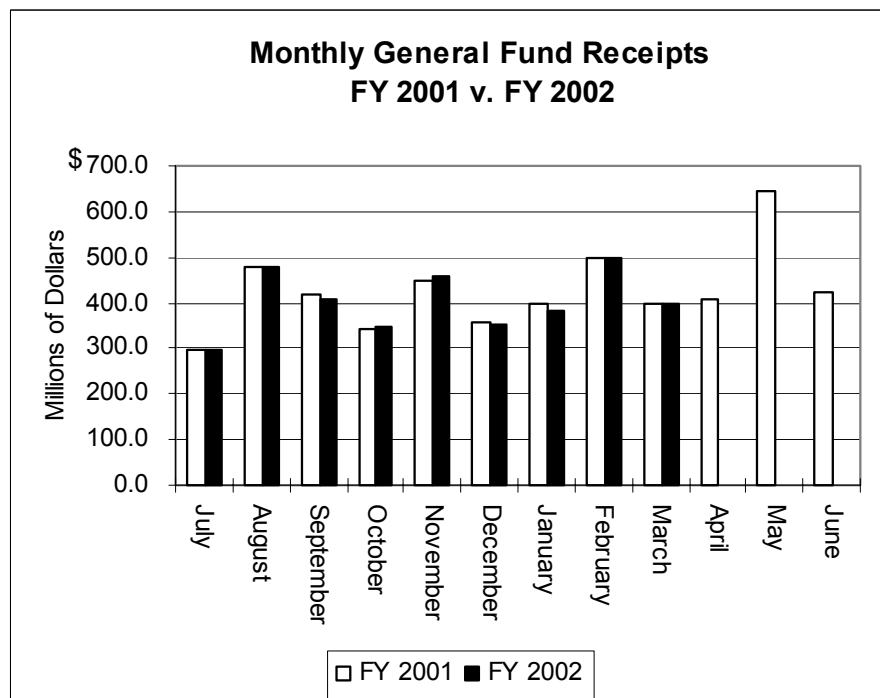
TO: Members of the Iowa Senate and  
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: April 1, 2002

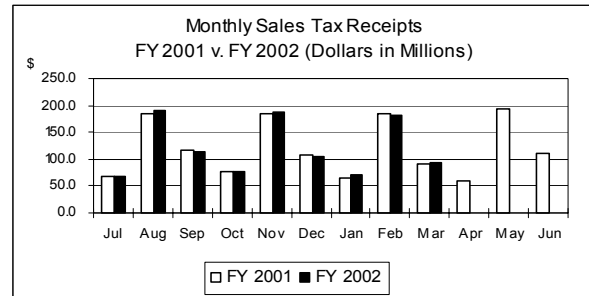
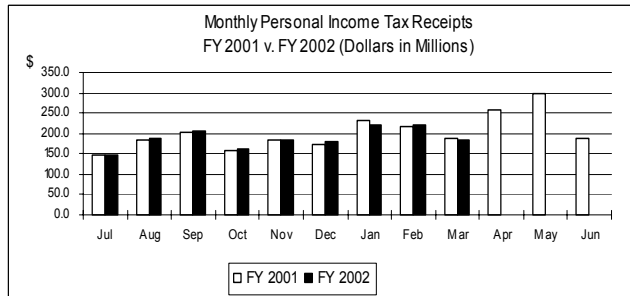
**Monthly General Fund Receipts through March 31, 2002**

The attached spreadsheet represents total FY 2002 estimated General Fund receipts, with comparable figures for actual FY 2001. These can be compared to the FY 2002 estimate (\$5,080.2 million) set by the Revenue Estimating Conference (REC) on February 21, 2002. The estimate represents a decrease of \$34.3 million (- 0.7%) compared to actual FY 2001.



## FY 2002 Compared to FY 2001

Year-to-date FY 2002 revenue has decreased \$19.3 million (- 0.5%) compared to FY 2001. This is above the REC estimate of - 0.7% for FY 2002.



**Gross personal income tax** revenues received in March totaled \$183.3 million, a decrease of \$5.2 million (- 2.8%) compared to March 2001.

The REC FY 2002 income tax estimate of \$2,453.7 million represents a projected increase of 1.1% compared to actual FY 2001. The actual year-to-date growth in personal income tax is currently 0.6%.

The State tracks personal income tax in three sub-categories:

Withholding receipts in March increased 3.9% compared to March 2001.

Estimated tax payments in March decreased 13.4% compared to March 2001.

Tax payments with returns in March decreased 28.6% compared to March 2001. The majority of these revenues are collected when taxpayers file annual personal income tax returns and are received during the mid-March to April 30 filing period.

The Chart above compares monthly personal income tax receipts for FY 2001 with FY 2002.

**Sales tax** revenues received in March totaled \$92.5 million, an increase of \$2.1 million (2.3%) compared to March 2001.

The REC estimate for FY 2002 sales tax receipts is \$1,456.1 million, which represents an increase of 1.0% compared to actual FY 2001. The actual year-to-date growth in sales tax is currently 1.1%.

The Chart above compares monthly sales tax receipts for FY 2001 with FY 2002.

**Corporate income tax** receipts in March were \$14.7 million, a decrease of \$1.7 million (- 10.4%) compared to March 2001.

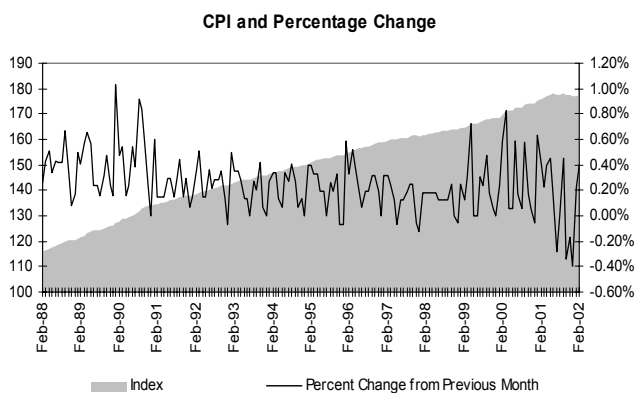
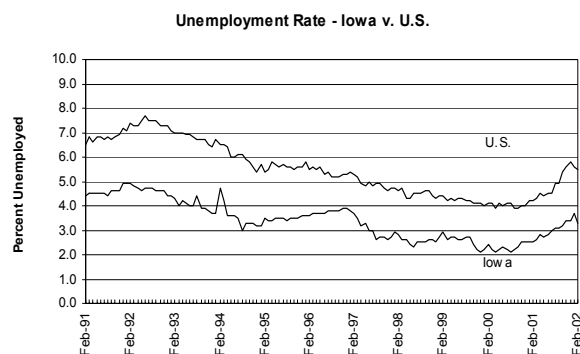
The REC projected FY 2002 corporate income tax receipts at \$218.8 million, a decrease of 23.2% compared to actual FY 2001. The actual year-to-date growth in personal income tax is currently - 19.1%.

## Status of the Economy

The February seasonally adjusted State unemployed rate increased to 3.4% from the January level of 3.3%. The unemployment rate a year ago was 3.1%. Iowa's total adjusted February employment registered at 1,549,500, up 22,300 from last year's level. The number of unemployed persons in Iowa was recorded at 54,900 in February, which is up 6,700 compared to last year's level. The amount of unemployed workers in February increased 1,900 from last month's level. The U.S. unemployment rate in February decreased to 5.5% from the January level, the second decrease in as many months. The U.S. unemployment rate a year ago was 4.2%.

Consumer prices increased in February from the January level by 0.4%. The Consumer Price Index (CPI-U) through February 2002 was 177.8 (1983=100), which is 1.1% higher than one year ago.

The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through February 2002.



Information related to State General Fund receipts is available on the Legislative Fiscal Bureau's website at: <http://staffweb.legis.state.ia.us/lfb/>. If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2001 vs. FY 2002 July 1 through March 31, in millions of dollars Dollars may not add due to rounding					ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 01 Actual Compared to FY 02 REC Estimate		
	FY 2001	FY 2002	Year to Date % CHANGE	March % CHANGE	Actual FY 2001	Estimate FY 2002	% CHANGE
Personal Income Tax	\$ 1,682.5	\$ 1,692.8	0.6%	-2.8%	\$ 2,426.6	\$ 2,453.7	1.1%
Sales Tax	1,076.7	1,089.0	1.1%	2.3%	1,441.7	1,456.1	1.0%
Use Tax	188.1	183.2	-2.6%	7.4%	249.4	241.6	-3.1%
Corporate Income Tax	180.7	146.1	-19.1%	-10.4%	284.8	218.8	-23.2%
Inheritance Tax	74.7	71.9	-3.7%	16.9%	104.6	95.3	-8.9%
Insurance Premium Tax	63.5	68.4	7.7%	-1.0%	126.6	132.9	5.0%
Cigarette Tax	65.8	64.7	-1.7%	-11.3%	89.6	90.0	0.4%
Tobacco Tax	4.9	5.2	6.1%	-44.4%	6.7	7.2	7.5%
Beer Tax	10.1	10.3	2.0%	0.0%	13.6	13.6	0.0%
Franchise Tax	19.6	18.3	-6.6%	-26.7%	31.2	28.5	-8.7%
Miscellaneous Tax	2.6	2.2	-15.4%	-50.0%	1.3	1.3	0.0%
Total Special Taxes	\$ 3,369.2	\$ 3,352.1	-0.5%	-1.2%	\$ 4,776.1	\$ 4,739.0	-0.8%
Institutional Payments	36.1	36.8	1.9%	10.3%	47.2	46.5	-1.5%
Liquor Transfers:							
Profits	27.0	28.0	3.7%	0.0%	37.5	38.0	1.3%
7% Gross Revenue	6.8	6.8	0.0%	0.0%	9.0	9.0	0.0%
Interest	15.2	17.1	12.5%	170.6%	18.2	30.0	64.8%
Fees	51.1	52.5	2.7%	5.9%	72.5	70.7	-2.5%
Judicial Revenue	36.1	34.1	-5.5%	-24.7%	48.8	51.6	5.7%
Miscellaneous Receipts	36.8	31.6	-14.1%	1.9%	45.2	35.4	-21.7%
Racing and Gaming Receipts	60.0	60.0	0.0%	0.0%	60.0	60.0	0.0%
TOTAL RECEIPTS	\$ 3,638.3	\$ 3,619.0	-0.5%	-0.7%	\$ 5,114.5	\$ 5,080.2	-0.7%